

WARNING-UNAPPROVED MINUTES

These minutes have not been reviewed or accepted by the RISLA Board of Directors. This draft is being supplied in order to be in compliance with the State Open Meetings Law. Board approved minutes will be submitted when available.

The 276th meeting of the Rhode Island Student Loan Authority was held on **Friday, February 19, 2010** in the 1st floor Conference Room, 560 Jefferson Boulevard, Warwick, Rhode Island.

Members in attendance:

Dr. Anthony Santoro
Mr. John Howell
Treasurer Caprio
Ms. Patti Doyle
Dr. William Croasdale

Members Absent:

Dr. Robert J. McKenna

Others in attendance:

Mr. Charles Kelley, Executive Director, RISLA
Mr. Noel Simpson, RISLA
Ms. Lindie Thibodeau, RISLA
Ms. Sisson, RIHEAA

The meeting was opened by Dr. Santoro at 9:31A.M.

Dr. Santoro congratulated Ms. Doyle on her reappointment to the Board of Directors.

Upon a motion duly made by Dr. Croasdale and seconded by Mr. Howell, it was unanimously

VOTED: to accept the minutes of the October, November and December 2009 Board of Directors meeting, with changes to the December minutes noted.

Upon a motion duly made by Croasdale and seconded by Ms. Doyle, it was unanimously

VOTED: to go into executive session pursuant to RIGL §42-46-5(a)(1).

The open session was reconvened at 10:25 A.M.

Chairman Santoro announced that no votes were taken in the closed session. Upon a motion duly made by Dr. Croasdale and seconded by Ms. Doyle, it was unanimously

VOTED: to seal the minutes of the Executive Session.

Executive Director's Report:

Mr. Kelley stated that RISLA has repurchased \$32 million back in bonds, with a gain of approximately \$6.4 million, at an average price of 80%. Mr. Kelley also wanted to recognize the work of Attorney Joe Palumbo, Lindie Thibodeau, Chad Pastorius and the internal legal group for their hard work on the federally mandated February 14th disclosure for private loans. Much effort was made to provide information to consumers.

Mr. Kelley also stated that Johnson & Wales University has contracted with RISLA to provide default prevention for their Charlotte, Denver and Providence campuses. Their Miami campus default prevention work will be done by internal staff or another firm.

The Latino College Access Coalition has opened an office in the Elmwood Community Center in Providence to reach Latinos in their neighborhoods. The CPC has seen a 24% increase in families and students served this year, a sure sign of the economic climate. Word is getting out about our free services.

Mr. Kelley also stated that Financial Literacy presentations are being given by Bill Bianchi with great success.

Fixed Rate Bond Issue:

Mr. Kelley stated that RISLA is going to market for a \$17 million bond deal for private loans. Chad is working with the rating agencies, with either an A or A+ rating expected. The loans to be funded by this bond issue will have the option of either 10 year immediate repayment, 15 year immediate repayment, or 15 year deferred repayment. This will be a lower volume than prior years. Pricing should be in mid-March, and we are on track and on budget. A detailed issuance cost budget was included in the Board package.

Bond Issue Budget:

Janney Montgomery and Bank of America are co-underwriters for this transaction. The objective is to sell most if not all of these bonds to retail investors to achieve the lowest cost of funds.

Mr. Kelley asked the Board to note that there is a change in the miscellaneous authorization expenses. RISLA would like to add a web road show for investors, at a cost of about \$7500. This would give additional information and transparency to the investor base. \$398,000 is our new budget, with all numbers on a not-to-exceed basis. New budget should reflect a not to exceed amount of \$450,000 in bond issue resolution. Mr. Howell asked if this was a presentation that could be used again, and Mr. Kelley replied that this was a one-time deal, but we are looking into resources we might have in-house to be able to bring the cost down and save some money.

Upon a motion duly made by Mr. Howell and seconded by Ms. Doyle, it was unanimously

VOTED: to accept the budget with a not-to-exceed limit of \$450,000.

Bond Issue Resolution:

Mr. Kelley asked the Board to note that the resolution in the board package states that the not to exceed number was \$20 million. Mr. Kelley handed out a revised resolution changing that number of not in excess of \$30 million, although it will probably be closer to \$17 million. Counsel asked that the number be \$30 million just in case. On page two of the resolution, please note that the blank for issuance cost not to exceed has been changed to \$450,000 per the earlier vote.

Upon a motion duly made by Mr. Howell and seconded by Ms. Doyle, it was unanimously

VOTED: to approve the bond issue.

Master Loan Sale Agreement:

A handout was prepared by Mr. Palumbo. It authorizes RISLA to put loans originating for 09/10 academic year in amounts that the Executive Director deems necessary. It also authorizes the Executive Director to place loans into conduit. This would be beneficial to both RISLA and RIHEAA. Mr. Kelley stated that the federal up to \$250 million in loans might have to be sold to the Feds if no other home (financing) for these loans can be found. Mr. Kelley would, of course, first consult with the Chairman. RIHEAA would possibly lose 6 basis points and default collection on the back end (\$250,000 or so).

Upon a motion by Dr. Croasdale, and seconded by Ms. Doyle, it was unanimously

VOTED: to accept both bond issue resolutions.

Follow up on Self Study:

Dr. Santoro stated that changes are currently underway and this issues needs to be deferred until a later date.

Upon a motion by Dr. Croasdale and seconded by Ms. Doyle, it was unanimously

VOTED: To adjourn

Adjournment occurred at 10:43 A.M.

John Howell
Secretary